

Office of the
Legislative Fiscal Analyst

FY 2001 Budget Recommendations

Joint Appropriations Subcommittee for
Commerce and Revenue Subcommittee

Supplemental Funding Items

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1.0 Summary: Commerce and Revenue Subcommittee Supplementals

The Analyst recommends supplemental reductions of (\$221,300) resulting from internal service fund rate changes. Should additional funding become available, the Analyst would recommend \$75,000 from the General Fund, \$329,400 from the Liquor Control Fund, and \$100,000 from the Workplace Safety Account as detailed in the 2.0 section of this report.

	Analyst FY 2001 Estimated	Analyst FY 2001 Supplemental	Analyst FY 2001 Revised
Financing			
General Fund	92,902,300	(79,000)	92,823,300
Uniform School Fund	16,558,300	22,500	16,580,800
Transportation Fund	4,857,400		4,857,400
Federal Funds	190,981,200	(147,600)	190,833,600
Dedicated Credits Revenue	17,937,000	(13,900)	17,923,100
GFR - Bail Bond Surety Admin	15,000		15,000
GFR - Commerce Service	15,191,000	2,500	15,193,500
GFR - Financial Institutions	2,907,800		2,907,800
GFR - Sales and Use Tax Admin Fees	5,719,800	3,300	5,723,100
GFR - Workplace Safety	761,400	(400)	761,000
TFR - Uninsured Motorist I.D.	283,800		283,800
Employers' Reinsurance Fund	324,400	(400)	324,000
Liquor Control Fund	14,952,000		14,952,000
Real Estate Education and Recovery	150,600		150,600
Uninsured Employers' Fund	490,600	(100)	490,500
Universal Public Telecom Service Fund	6,102,900		6,102,900
Transfers	78,300	(6,800)	71,500
Transfers - H - Medical Assistance	3,508,200	(1,400)	3,506,800
Beginning Nonlapsing	37,986,700		37,986,700
Closing Nonlapsing	(32,545,800)		(32,545,800)
Lapsing Balance	(118,900)		(118,900)
Total	\$379,044,000	(\$221,300)	\$378,822,700
Programs			
Tax Commission	62,943,200	(1,000)	62,942,200
Workforce Services	250,122,700	(203,800)	249,918,900
Alcoholic Beverage Control	14,955,200		14,955,200
Labor Commission	8,803,900	(8,700)	8,795,200
Commerce	16,852,900	(7,800)	16,845,100
Financial Institutions	2,907,800		2,907,800
Insurance	12,918,400		12,918,400
Public Service Commission	9,539,900		9,539,900
Total	\$379,044,000	(\$221,300)	\$378,822,700
FTE/Other			
Total FTE	3,494		3,494
Vehicles	262		262

2.0 Issues: Commerce and Revenue Subcommittee Supplementals

2.1 Internal Service Fund Rate Reductions

As the result of rate changes for Department of Administrative Services internal service funds, the Analyst recommends a one-time supplemental budget reduction of (\$221,300). The three major areas of reduction are: 1) fleet operations; 2) ITS disk storage; and 3) ITS long distance telephone rates. Since the rates have been reduced, the funding is not needed and is being shifted to other areas. One major adjustment was to the Department of Workforce Services. A \$70,000 reduction is being made to shift funds to the Department of Human Services due to incorrect billing last year.

General Fund, One-time.....	(\$79,000)
Uniform School Fund, One-time	\$22,500
Other Funds	(\$164,800)

2.2 Labor Commission Vehicles

Department has requested one-time funding of \$25,000 to purchase two cars for inspectors (one boiler and one elevator) approved by the 2000 Legislature. While current expenses and travel expenses were appropriated, the up-front costs of the cars were not calculated into the requirement. Revenue generated by the inspectors goes to the General Fund. If funding is available, the Analyst recommends providing \$25,000 General Fund from one-time funds.

General Fund (tentative)	\$25,000
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2.3 Public Service Commission - Nonlapsing Funds

The 2000 Legislature gave nonlapsing status to the Administration budget for FY 2001 and approved carryover of \$50,000 for FY 2000. The FY 2000 carryover was left out of the Appropriations Act. A supplemental appropriation is required to restore this funding to the Public Service Commission. It will be used to upgrade computer equipment and provide training.

General Fund (tentative)	\$50,000
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2.4 Alcoholic Beverage Control – Bond Payments

The Department of Alcoholic Beverage Control over the last several years, has been actively acquiring ownership of the State Liquor Stores. The Department has built new stores and purchased stores it was previously renting. The financing for these acquisitions was through state issued Lease Revenue Bonds. The base budget amount appropriated for rent and bond payments is \$1,240,400. The total amount the Department will pay in FY 2001 and again in FY 2002 is \$1,423,100, a difference of \$182,700. The Analyst recommends \$182,700 from the Liquor Control Fund as a FY 2001 supplemental appropriation if funding is available.

Liquor Control Fund (tentative)\$182,700

2.5 Alcoholic Beverage Control – Leased Facilities Maintenance

In December of 2000, the Division of Facilities and Construction Management (DFCM) took over the maintenance of the Department's leased stores. This was done to comply with House Bill 2. Additional ongoing costs of \$49,000 are needed to pay for the maintenance. This has been included in the Analyst base budget recommendations. The Analyst recommends a FY 2001 supplemental appropriation of \$49,000 if additional funding becomes available through Executive Appropriations.

Liquor Control Fund (tentative)\$49,000

2.6 Alcoholic Beverage Control – Package Agency Caseload Increase

The amount of compensation that the Department pays each package agency depends on the number of cases sold during the prior year. Based on sales during FY 2000, it is determined that 6 agencies had increased sales and would receive more compensation. The amount to fund the net increase is \$21,700 for FY 2001. The Analyst recommends a supplemental appropriation if funding is made available.

Liquor Control Fund (tentative)\$21,700

2.7 Alcoholic Beverage Control – Sales Clerks

Liquor sales have increased 22 percent since FY 1996. The first two months of FY 01, sales have increased approximately ten percent over the previous year. If funding is available, the Analyst recommends a Supplemental appropriation of \$76,000 from the Liquor Control Fund to fund the start of 6 FTE, to address the workload and reduce the overtime required of the current employees.

Liquor Control Fund (tentative)\$76,000

2.8 Labor Commission – Workplace Safety Marketing Campaign

Labor Commission currently operates a Work Place Safety Campaign. The Commission intends to provide more exposure to the employees and employers in the workplace. The request for \$100,000 supplemental funding will enable to Commission to develop an additional advertisement and pay for more airtime. The funding is available from the General Fund Restricted - Workplace Safety Account.

GFR – Workplace Safety Account\$100,000

3.0 Programs – Commerce and Revenue Subcommittee Supplementals

Each of the following tables details internal service fund rate changes for various agencies under the jurisdiction of the Commerce and Revenue Appropriations Subcommittee.

3.1 Utah State Tax Commission

	Analyst FY 2001 Estimated	Analyst FY 2001 Supplemental	Analyst FY 2001 Revised
Financing			
General Fund	23,951,300	(24,900)	23,926,400
Uniform School Fund	16,558,300	22,500	16,580,800
Transportation Fund	4,857,400		4,857,400
Federal Funds	591,200	(100)	591,100
Dedicated Credits Revenue	6,414,300	(1,800)	6,412,500
GFR - Sales and Use Tax Admin Fees	5,719,800	3,300	5,723,100
TFR - Uninsured Motorist I.D.	283,800		283,800
Transfers	78,300		78,300
Beginning Nonlapsing	10,806,800		10,806,800
Closing Nonlapsing	(6,318,000)		(6,318,000)
Total	\$62,943,200	(\$1,000)	\$62,942,200
Programs			
Tax Administration	58,381,700	(1,000)	58,380,700
License Plates Production	1,925,000		1,925,000
Liquor Profit Distribution	2,636,500		2,636,500
Total	\$62,943,200	(\$1,000)	\$62,942,200
FTE/Other			
Total FTE	884		884
Vehicles	57		57

3.2 Department of Workforce Services

	Analyst FY 2001 Estimated	Analyst FY 2001 Supplemental	Analyst FY 2001 Revised
Financing			
General Fund	55,263,600	(50,500)	55,213,100
Federal Funds	187,960,700	(143,300)	187,817,400
Dedicated Credits Revenue	3,390,200	(1,800)	3,388,400
Transfers		(6,800)	(6,800)
Transfers - H - Medical Assistance	3,508,200	(1,400)	3,506,800
Total	<u>\$250,122,700</u>	<u>(\$203,800)</u>	<u>\$249,918,900</u>
Programs			
Workforce Services	<u>250,122,700</u>	<u>(203,800)</u>	<u>249,918,900</u>
Total	<u>\$250,122,700</u>	<u>(\$203,800)</u>	<u>\$249,918,900</u>
FTE/Other			
Total FTE	1,812		1,812
Vehicles	112		112

3.3 Labor Commission

	Analyst FY 2001 Estimated	Analyst FY 2001 Supplemental	Analyst FY 2001 Revised
Financing			
General Fund	5,031,800	(3,600)	5,028,200
Federal Funds	2,290,900	(4,200)	2,286,700
GFR - Workplace Safety	761,400	(400)	761,000
Employers' Reinsurance Fund	324,400	(400)	324,000
Uninsured Employers' Fund	490,600	(100)	490,500
Beginning Nonlapsing	13,000		13,000
Lapsing Balance	(108,200)		(108,200)
Total	<u>\$8,803,900</u>	<u>(\$8,700)</u>	<u>\$8,795,200</u>
Programs			
Labor Commission	<u>8,803,900</u>	<u>(8,700)</u>	<u>8,795,200</u>
Total	<u>\$8,803,900</u>	<u>(\$8,700)</u>	<u>\$8,795,200</u>
FTE/Other			
Total FTE	129		129
Vehicles	32		32

3.4 Department of Commerce

	Analyst FY 2001 Estimated	Analyst FY 2001 Supplemental	Analyst FY 2001 Revised
Financing			
Federal Funds	138,400		138,400
Dedicated Credits Revenue	369,700	(10,300)	359,400
GFR - Commerce Service	15,191,000	2,500	15,193,500
Real Estate Education and Recovery	150,600		150,600
Beginning Nonlapsing	1,167,800		1,167,800
Closing Nonlapsing	(164,600)		(164,600)
Total	<u>\$16,852,900</u>	<u>(\$7,800)</u>	<u>\$16,845,100</u>
Programs			
Commerce General Regulation	16,001,100	(7,800)	15,993,300
Real Estate Education	156,700		156,700
Public Utilities Professional & Technical	149,900		149,900
Committee of Consumer Services Profess	545,200		545,200
Total	<u>\$16,852,900</u>	<u>(\$7,800)</u>	<u>\$16,845,100</u>
FTE/Other			
Total FTE	241		241
Vehicles	32		32